

COASTAL CONSERVANCY

Staff Recommendation

May 26, 2016

KLAMATH RIVER ESTUARY WETLANDS CONSERVATION PREACQUISITION STUDIES

Project No. 16-006-01

Project Manager: Joel Gerwein

RECOMMENDED ACTION: Authorization to disburse federal grant funds in an amount of up to \$35,000 to the Northcoast Regional Land Trust for pre-acquisition studies to preserve working lands, coastal wetlands, and fish and wildlife habitat at Bessette Ranch, Klamath River Estuary, Requa, Del Norte County.

LOCATION: Klamath River Estuary, Town of Requa, Del Norte County

PROGRAM CATEGORY: Integrated Coastal and Marine Resource Protection

EXHIBITS

Exhibit 1: [Project Location](#)

Exhibit 2: [Site Photographs](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of up to thirty five thousand dollars (\$35,000) of federal grant funds from the U.S. Fish and Wildlife Service to the Northcoast Regional Land Trust (“NRLT”) to undertake preacquisition studies to preserve working lands, coastal wetlands, and fish and wildlife habitat at Bessette Ranch, (Del Norte County Assessor Parcel Nos. 140-01030 and 140-01034), subject to the following conditions:

Prior to the disbursement of any Conservancy funds for the project, NRLT shall submit for the review and approval of the Conservancy’s Executive Officer a work plan, schedule, budget, and the names of any contractors to be employed for the project. NRLT shall assist the Conservancy in complying with the federal grant terms.”

KLAMATH RIVER ESTUARY WETLANDS CONSERVATION

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 5.5 of Division 21 of the Public Resources Code, regarding Integrated Coastal and Marine Resource Protection.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. NRLT is a nonprofit organization existing under section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”

PROJECT SUMMARY:

Staff recommends the Conservancy authorize disbursement of up to \$35,000 of federal grant funds from the U.S. Fish and Wildlife Service (“USFWS”) to the Northcoast Regional Land Trust (“NRLT”) to undertake preacquisition studies to preserve working lands, coastal wetlands, and fish and wildlife habitat at Bessette Ranch, (Del Norte County Assessor Parcel Nos. 140-01030 and 140-01034), located in the Klamath River Estuary in the town of Requa. (Exhibit 1). The preacquisition grant funds are part of a \$318,800 grant from the USFWS to the Conservancy for the acquisition of a conservation easement over the approximately 125-acres Bessette Ranch property.

The pre-acquisition studies include a property appraisal and appraisal review by the California Department of General Services, a preliminary title report, a Phase I environmental assessment, and a baseline conditions report. The grant includes funding for the NRLT to negotiate the conservation easement terms for review and approval by the Conservancy, the USFWS, and the California Natural Resources Agency (CNRA), which has approved a grant for the property acquisition. Later this year, staff anticipates returning to the Conservancy for consideration to authorize the easement acquisition.

This acquisition project at Bessette Ranch will protect the Klamath River coastal wetlands and other unique natural habitats that occur on the property while preserving this viable working ranch. The project area encompasses 41 acres of palustrine emergent wetlands and riparian habitats, as well as an additional 76 acres of adjacent, upland forest and grassland habitats (Exhibits 1 and 2). The project will facilitate the protection of low-gradient coastal stream habitat that is critical to the recovery of listed salmonid populations in the Klamath River basin, one of the most important salmon-bearing rivers in the state. The Klamath River Estuary, though relatively small at about 1,800 acres, provides vital nursery and staging habitat for fish and wildlife, and is also of great cultural and economic value to the Yurok People. The Lower Klamath River, including the project area, is designated Essential Fish Habitat for coho salmon under the Magnuson-Stevens Act (as amended 1996) and critical habitat under the Endangered Species Act. The property’s cold, spring-fed streams provide refugia for salmon and steelhead in the summer months, when temperatures in the Klamath River are high. In the rainy winters these low-gradient tributaries provide fish with backchannel habitat, offering respite from flood waters, and an environment in which fish have exhibited high rates of growth. A number of rare,

KLAMATH RIVER ESTUARY WETLANDS CONSERVATION

threatened, or endangered species are known to occur in the project area, including coho salmon, eulachon, also known as candlefish, and little willow flycatcher.

In addition to preserving the natural resource values of the Bessette Ranch, acquisition of a conservation easement would also protect the working ranch lands. The working ranch is part of the cultural heritage of this agricultural region, and has been certified organic for over ten years. The property has a historical role as a stop for stage coaches, blacksmith and stable, post office, general store, and working ranch. The agricultural heritage and natural resources stewardship values associated with the property would be shared with students and ranchers through educational outreach events. These events would be developed through partnerships with Humboldt State University and the University of California Agricultural Extension. Students would learn about riparian and wetlands restoration on private land, while ranchers would learn about grazing management practices that protect wetland habitat. The Ranch also offers important scenic values, as it lies along the Highway 101 gateway to Redwood National Park.

The current landowner is a good conservation partner and worked with the USFWS Partners for Fish and Wildlife Program to restore riparian habitat and off-channel salmonid rearing habitat along reaches of Hunter and Salt Creeks that were severely degraded. The restoration projects included channel recontouring, large woody debris installation, riparian planting and livestock exclusion. The Hunter Creek restoration included the removal of car bodies that had been used by a previous landowner to stabilize the creek banks. The restorations were implemented in the 1990s and early 2000s, and the ten-year landowner-USFWS agreements that protected the restoration areas have expired. Acquisition of a conservation easement would prevent landowner management actions that could degrade the property by requiring maintenance of riparian fencing and the approval of a Grazing Management Plan.

The Bessette property is made up of two assessor's parcels. The zoning allows for subdivision into 11 five- and 20-acre developable parcels across the property. Many of these parcels would afford sweeping views of the Pacific Ocean and Klamath River Estuary. The property is highly desirable for rural subdivision. Located only 16 miles from Crescent City and 1.5 miles from the town of Klamath (pop. 680), the property has easy access to amenities, yet is isolated from traffic, noise, and other urban and suburban inconveniences. Neighboring properties are steadily developing to accommodate the growing tourist industry. Parcels from the subject property were sold off and developed into an RV park before purchase by the current landowner. Fishing camps, inns and hotels, and private homes have all been developed in the Requa area.

The Bessette Ranch is located in the middle of all of this activity, and is threatened by subdivision and residential development if the landowner were forced by financial necessity to do so. The current landowner is under financial duress as a result of family health issues. Acquisition of a conservation easement would enable the landowner to cover these expenses without subdividing this unique property.

NRLT will obtain an updated appraisal for a conservation easement, which reserves one residential development right in a defined envelope in an upland area for the landowner's son. In 2012, a Restricted Use Appraisal was prepared for NRLT with an easement value of \$660,000, or \$595,000 if the landowner retained one development right. The real estate market has

KLAMATH RIVER ESTUARY WETLANDS CONSERVATION

remained relatively stable since 2012; thus, this value is assumed to be close to the current conservation easement value.

NRLT is highly qualified to carry out these pre-acquisition studies. Since the organization's founding in 2000, it has successfully protected over 6,000 acres in the region through conservation easements. NRLT has completed several transactions with the support of the Conservancy and is a reliable organization to assist the Conservancy with its parallel goals of protecting agriculture and restoring natural communities in the coastal zone. NRLT has demonstrated its ability to balance agriculture with restoration opportunities at Freshwater Farms and at the Senestraro Property near Eureka, and at McNamara Ranch in Orick, acquisitions which were funded by the Conservancy.

Site Description: The project area is adjacent to the Klamath River Estuary, and contains reaches of three perennial salmon-bearing tributaries to the estuary – Hunter Creek, Minot Creek, and Salt Creek. The complex of wetlands and adjacent uplands comprising the project area provide a large block of complementary coastal habitats that collectively function to provide wildlife habitat and enhance the water quality of the Klamath River Estuary. The wetlands pond water during the long rainy season, and remain lush late into the spring as a result of the cool, moist climate that extends into the summer months. The wetlands are zoned for agricultural use and are part of a working ranch. Much of the wetland area supports a low-intensity grazing operation during the dry season. The landowner keeps cattle off the wetlands during the wettest months, and uses rotational grazing during the dry months to maintain the short-grass wetland habitats used by waterfowl. The property also includes over a half mile of low-gradient stream habitat and associated riparian habitats. These streams and riparian forests are protected by fencing that excludes cattle. Wetland vegetation consists primarily of short-grass meadows dominated by pasture grasses and assorted native wetland species, including meadow foxtail, small-flowered bulrush, and other rushes and sedges. Riparian forest stands occur along streams and are dominated by native willow species and red alder. Floodplain uplands that are seasonally saturated also occur in the project area and exhibit many characteristics of the adjacent wetlands. The mature coastal coniferous forests in the uplands are characterized by stately Sitka-spruce trees and stands of red alder. Douglas-fir and coastal redwoods also occur in these stands. A large patch of coastal prairie occurs on the upper part of the property, dominated by perennial grasses and assorted native shrubs, including elderberry, thimbleberry and salmonberry. The only structures on the property are at the ranch headquarters, which includes a house and a barn.

Project History: The project will facilitate protection of valuable habitat in the Klamath River Estuary, a sensitive area that has undergone significant commercial and residential development. The Conservancy has supported numerous projects to enhance and restore Klamath River habitats, many of them in connection with potential dam removal in the upper watershed. Most recently, the Conservancy provided \$2,000,000 towards the acquisition of lands in the Blue Creek Salmon Sanctuary, upriver of the Klamath River Estuary. NRLT approached the Conservancy about the proposed project in 2012, and worked with Conservancy staff since that time to obtain other federal and state grant funds for the project.

KLAMATH RIVER ESTUARY WETLANDS CONSERVATION

PROJECT FINANCING

USFWS	\$35,000
Project Total	\$35,000

The USFWS has awarded \$318,800 to the Conservancy for the pre-acquisition studies and the acquisition itself. Pursuant to the proposed authorization, \$35,000 of the grant will be disbursed to NRLT for pre-acquisition studies. Conservancy staff anticipates seeking authorization later this year for disbursement of \$263,800 of the USFWS grant funds for acquisition of the conservation easement. The remaining \$20,000 of USFWS funds will pay for Conservancy staff costs associated with the project. In addition, a grant of \$206,000 has been secured from the California Natural Resources Agency (CNRA) for the easement acquisition through the Environmental Enhancement and Mitigation Program. Staff anticipates seeking authorization to disburse the CNRA funds later this year as well.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project will be undertaken pursuant to Public Resources Code Sections 31111 and 31220 (Chapter 5.5) of the Conservancy's enabling legislation.

Consistent with Section 31111, the proposed project is a grant to NRLT, a nonprofit organization, to undertake pre-acquisition studies to preserve working lands, coastal wetlands, and fish and wildlife habitat at Bessette Ranch, on the Klamath River Estuary.

Consistent with Section 31220(a)(6), the proposed project is a grant of funds to facilitate the acquisition and protection of coastal wetlands, riparian areas, sensitive watershed lands, and fish and wildlife habitat within a coastal watershed in order to improve and protect coastal water quality and habitats. As required by Section 31220(a), Conservancy staff has consulted with the State Water Resources Control Board (SWRCB) regarding the grant's consistency with Chapter 3 of Division 20.4 of the Public Resources Code, regarding water quality of coastal waters and beaches. The SWRCB has determined that the project is consistent with Chapter 3 of Division 20.4.

Consistent with Section 31220(b)(2), the proposed project is a grant to protect or restore fish and wildlife habitat within a coastal watershed. The Bessette Ranch lies within the Klamath River watershed, and the acquisition of a conservation easement for habitat and working lands protection will reduce threats to fish and wildlife, and protect riparian wetlands, floodplains and other sensitive watershed lands.

Consistent with Section 31220(c), the proposed project includes a monitoring and evaluation component to assess the effects of future grazing on the property's resources. The project is also consistent with the Water Quality Control Plan for the North Coast Basin, in which the project area is located. See "Consistency with Local Watershed Management Plan/State Water Quality Control Plan" section, below.

**CONSISTENCY WITH CONSERVANCY'S 2013 STRATEGIC PLAN
GOAL(S) & OBJECTIVE(S), AS REVISED JUNE 25, 2015:**

Consistent with **Goal 4, Objective A** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will facilitate the protection of a significant coastal resource property, the Bessette Ranch in the Klamath River Estuary.

Consistent with **Goal 4, Objective B** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will facilitate the protection of Bessette Ranch, which is a working ranch through a conservation easement.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See "Consistency with Conservancy's Enabling Legislation" section, above.
2. **Consistency with purposes of the funding source:** See "Project Financing" section, above.
3. **Promotion and implementation of state plans and policies:** By facilitating the protection of wetlands providing fish and wildlife habitat, the proposed project serves to promote and implement several state plans, including:
 - Priority Action 4 identified in the 2014 *California Water Action Plan*, prepared by CalEPA, the California Natural Resources Agency, and the California Department of Food and Agriculture), which provides: "Protect and Restore Important Ecosystems". The proposed project will implement this action by facilitating the protection of wetlands in an estuary that provides valuable fish and wildlife habitat.
 - An objective identified in the *California Nonpoint Source Program Implementation Plan, 2014 - 2020* prepared by the State Water Resources Control Board in 2015: Objective RB1.5.04: Implement water quality improvement and protection projects in collaboration with stewardship partners. The project furthers this goal by facilitating the protection of riparian corridors that enhance water quality in the Klamath River Estuary and its tributaries, in partnership with the NRLT and the landowner.
 - A conservation strategy for North Coast Riparian Forest in the *State Wildlife Action Plan*, prepared by the California Department of Fish and Wildlife (CDFW) in 2015:
Conservation Strategy 5 (Management Planning): Improve implementation of grazing best management practices (BMPs).
Consistent with this strategy, the proposed project will require that grazing of wetlands be conducted according to an approved Grazing Management Plan, and riparian fencing to restrict livestock access to the riparian corridor will be maintained. In addition, the

KLAMATH RIVER ESTUARY WETLANDS CONSERVATION

project includes outreach to other ranchers to demonstrate grazing best management practices for wetland and riparian habitat protection.

- The following tasks identified in the *Recovery Strategy for California Coho Salmon*, prepared by CDFW in 2004:
 - Klamath River Klamath Glen Task 4a: Protect and/or restore riparian habitat. The project would facilitate the acquisition of a conservation easement that will require maintenance of riparian fencing and restrict grazing to protect the riparian corridors associated with the creeks on the property.
 - Klamath River Klamath Glen Task 8b: Provide adequate protection from development, grazing, etc. for riparian areas. As stated above, the project would facilitate the acquisition of a conservation easement that will require maintenance of riparian fencing and restrict grazing to protect the riparian corridors associated with the creeks on the property.
 - Rangewide-Land Use Task RW-XXV-C-01 Acquire conservation easements or land in fee title from willing landowners to protect coho salmon habitat.
 - The following priority identified in the CDFW Steelhead Restoration and Management Plan (1996) for California: “Watershed restoration and protection must be a focal point of CDFW’s efforts to restore steelhead populations... Priority should be given to acquisition of riparian lands that have water rights, stream reaches that support depressed native stocks, and estuaries.” The project would facilitate the acquisition of development rights to riparian corridors associated with the creeks on the property, which are adjacent to the Klamath River Estuary and provide important habitat for threatened salmonids.
4. **Support of the public:** The proposed project enjoys broad public and agency support (Exhibit 3).
 5. **Location:** The proposed project would be located within the coastal zone of Del Norte County.
 6. **Need:** The proposed project could not go forward with Conservancy participation. The Conservancy has received federal and other state funds for the project.
 7. **Greater-than-local interest:** The Klamath River is one of the most important salmon streams in the entire state of California, and its estuary provides critical habitat to many fish and wildlife species. The project area functions as an important rearing ground and refugia for coho salmon, and its protection will bolster the recovery and health of coho populations.
 8. **Sea level rise vulnerability:** The project is located in an area vulnerable to climate change due its location, ~0.75 miles east of the Pacific Ocean and 0.25 miles north of the Klamath River estuary. The major climate change threat is flooding due to rising sea levels, storm surges, and high magnitude rain events. Climate change also threatens salmonid populations at this site. The Klamath River supports one of the largest wild fisheries remaining in California, yet shifting ocean and riverine conditions are stressing salmonids at multiple life stages. Estuaries are critical to salmonids, offering rearing habitat and connectivity to coastal streams. The project will maximize resiliency to flooding by facilitating the protection of 41 acres of wetlands. The wetlands absorb and diffuse floodwaters, and reduce flooding of

KLAMATH RIVER ESTUARY WETLANDS CONSERVATION

Highway 101 and properties further north. The proposed project will enhance the resiliency of fish and wildlife, especially salmonids, by facilitating the protection of estuarine wetlands.

Additional Criteria

9. **Urgency:** The landowner has been an active steward of this property and its wetlands for over 15 years and is committed to conserving the ranch's unique resources in perpetuity. However, the development value of the land affords the landowner unused capital that he urgently needs for retirement and current health issues.
10. **Leverage:** See the "Project Financing" section, above.
11. **Readiness:** The proposed project will be completed quickly upon authorization. The landowner is a willing seller, probably at a bargain sale price, and some of the preliminary footwork is already complete. The proposed project includes the necessary next steps to finish the analyses so that, in the near future, the Conservancy can consider the acquisition of a conservation easement over the property.
12. **Realization of prior Conservancy goals:** See "Project History" section, above.
13. **Return to Conservancy:** See "Project Financing" section, above.
14. **Cooperation** The proposed project involves the cooperation of federal and state funding agencies, the landowner, the NRLT and the Conservancy.
15. **Vulnerability from climate change impacts other than sea level rise:** Shifting ocean and riverine conditions are stressing salmonids at multiple life stages. The project will enhance the resiliency of salmonid populations to these stresses by protecting estuarine wetlands that provide rearing habitat.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project is consistent with the Del Norte County Local Coastal Program (LCP), prepared in 1983. The LCP underscores the excellent wildlife habitat provided by the Klamath River Estuary, and states that this area should be "maintained as wildlife habitats and protected from adverse activity" (LCP pp. 55-56). The LCP contains the following policies which will be advanced by the proposed project:

- The County should maintain all existing species of fish, wildlife, and vegetation for their economic, intrinsic, and ecological values, as well as providing adequate protection of rare and endangered species. (LCP, Pg. 55)
- The County should establish riparian corridors along local streams, creeks, and sloughs to maintain their aesthetic appeal, wildlife habitat, control of erosion, and to provide natural vegetation separations between developed uses. (LCP, Pg. 56)

The project will advance the above policies by facilitating the protection of riparian corridors and other fish and wildlife habitat on the property.

Del Norte County's General Plan (2003) includes county policies governing its coastal zone, updating the 1983 LCP. The County recognizes tidally influenced portions of the Klamath River watershed, including the project area, as major locations of excellent wildlife habitat in its

KLAMATH RIVER ESTUARY WETLANDS CONSERVATION

General Plan. The County's General Plan includes the following policies, which will be advanced by the proposed project:

Policy 1A.14. The County shall strive to ensure that estuarine systems are maintained at their highest feasible level of productivity in order to protect and enhance coastal fisheries and other marine resources. (General Plan, pg. 1-2)

Policy 1B.1. The County shall seek to maintain, and where feasible, enhance the existing quality of all water resources in order to ensure public health and safety and the biological productivity of waters. (General Plan, pg. 1-3)

The project will advance the above policies by facilitating the protection of tributaries to the Klamath River Estuary, and by protecting riparian corridors and regulating grazing to protect water quality in the property's creeks and in the Klamath River Estuary.

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/ STATE WATER QUALITY CONTROL PLAN:

The proposed project is consistent with the *North Coast Water Quality Plan* (2003) ("Plan"), prepared by the North Coast Water Quality Control Board. The Plan specifies beneficial uses and water quality objectives for water bodies throughout the North Coast, including the Klamath Glen Hydrologic Subarea ("HSA"), which includes the project area. By protecting wetlands and adjacent uplands, this project will protect the beneficial uses of the Klamath Glen HSA in the Klamath Hydrologic Unit identified in the Plan, which include: 1) wildlife habitat, 2) rare, threatened and endangered species habitat, 3) cold freshwater habitat, and 4) nursery habitat.

The project is also consistent with the findings of the *Klamath River Estuary Wetlands Water Quality Monitoring Report* (2010). This report was prepared by the Yurok Tribe Environmental Program to help prioritize and justify wetland protection and restoration. The report identifies the Spruce Creek wetland complex, partly located in the project area (Exhibit 1), as at-risk and in need of protection to prevent degradation.

COMPLIANCE WITH CEQA:

The proposed project is statutorily exempt from the California Environmental Quality Act ("CEQA") under 14 Cal. Code of Regulations Section 15262 (Feasibility and Planning Studies), because the project involves only planning and feasibility studies for a potential future activity (acquisition of a conservation easement) which is not yet approved, adopted or funded and the proposed project will consider environmental factors. The proposed project is also categorically exempt from CEQA under Section 15306 (Information Collection), as it includes resource evaluation, which does not result in a disturbance to an environmental resource. Upon approval, staff will file a Notice of Exemption for the project.